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COMPLETION OF A PROTOCOL OR ANOTHER LEGAL INSTRUMENT

Consolidated negotiating text by the Chairman

1. At its seventh session, the Ad Hoc Group on the Berlin Mandate (AGBM) "requested the Chairman, with the assistance of the secretariat, to prepare a Chairman's text to be the focus of work at the next session, drawing on the outcome of the work of the AGBM at its seventh session" (FCCC/AGBM/1997/5, para. 13).

2. The consolidated negotiating text by the Chairman which follows responds to the above mandate. It is derived from the outcome of the work of the AGBM at its seventh session (see FCCC/AGBM/1997/INF.1) as well as informal consultations conducted by the Chairman.

3. The consolidated negotiating text is presented to the AGBM, for its consideration, without prejudice to the negotiating text by the Chairman (FCCC/AGBM/1997/3/Add.1) and the original proposals from Parties contained in the relevant miscellaneous documents (FCCC/AGBM/1996/MISC.2 and Add.1-4 and FCCC/AGBM/1997/MISC.1 and Add.1-5) which remain before the group.

4. The consolidated negotiating text has been prepared in recognition of the fact that certain issues under discussion in the AGBM could lend themselves to being addressed through related decisions to be taken by the Conference of the Parties (COP), and where appropriate in parallel with the adoption of the new instrument.

5. Although the AGBM has not yet reached agreement on the form of the legal instrument to be adopted by the COP at its third session, the structure of the consolidated negotiating text is based on that of a protocol, in line with the thrust of deliberations in the Group to date. Parties may wish to note, however, that other options are still open to the AGBM and that, were agreement to be reached on another legal instrument, for example an amendment, the relevant elements in the consolidated negotiating text could be adapted accordingly.

6. Parties are invited to focus their negotiations on the consolidated negotiating text at the eighth session of the AGBM, in order to reach agreement on the final text for a protocol or another legal instrument to be adopted by the COP at its third session, and thereby fulfill the mandate entrusted to them.

CONSOLIDATED NEGOTIATING TEXT BY THE CHAIRMAN

Preamble

The Parties to this Protocol,

Being Parties to the United Nations Framework Convention on Climate Change, hereinafter referred to as the "Convention",

In pursuit of the ultimate objective of the Convention as stated in its Article 2,

Recalling the provisions of the Convention and *being guided* by its Article 3,

In fulfilment of the Berlin Mandate adopted by decision 1/CP.1 of the Conference of the Parties to the Convention at its first session,

Have agreed as follows:

Article 1

For the purposes of this Protocol, the definitions contained in Article 1 of the Convention shall apply. In addition:

1. "Convention" means the United Nations Framework Convention on Climate Change, adopted in New York on 9 May 1992.

2. "Intergovernmental Panel on Climate Change" means the Intergovernmental Panel on Climate Change jointly established by the World Meteorological Organization and the United Nations Environment Programme in 1988.

3. "Montreal Protocol" means the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer, as subsequently adjusted and amended.

4. "Parties present and voting" means Parties present and casting an affirmative or negative vote.

5. "Party" means, unless the text otherwise indicates, a Party to this Protocol.

6. "Party included in Annex I" means a Party included in Annex I to the Convention, and as may be subsequently amended by the Conference of the Parties to the Convention, or a Party which has made a notification under Article 4.2(g) of the Convention.

7. "Subsidiary bodies" means the subsidiary bodies established by Article 9 and Article 10 of the Convention.

8. (*Additional definitions, as necessary*)

9. The Meeting of the Parties may adopt such other definitions as may be required for the purposes of this Protocol.

Article 2

1. Each of the Parties included in Annex I or acting under Article 10 shall:

(a) Adopt and implement policies and measures to assist in the fulfilment of its commitments under Article 3;

(b) Implement policies and measures under this Article in such a way as to minimize adverse effects on other Parties, especially developing country Parties and in particular those identified in Article 4.8 of the Convention. The Meeting of the Parties may take further action, as appropriate, to promote the implementation of the provisions of this subparagraph;

(c) Aim, where appropriate, and as part of its national portfolio of policies and measures to address climate change, determined according to national circumstances, to implement policies and measures in the priority areas identified in Annex A;

(d) Co-operate to enhance the individual and combined effectiveness of their policies and measures, in accordance with Article 4.2(e)(i) of the Convention. To this end, these Parties shall take steps to share their experiences and exchange information on policies and measures adopted and implemented under this Article, particularly those in the priority areas identified in Annex A. The Meeting of the Parties shall, as soon as practicable, consider modalities through which such policy co-operation might be facilitated. In its deliberations on this matter, the Meeting of the Parties shall take into account relevant work being done by other bodies; and

(e) Co-operate to develop common performance indicators relating to the implementation of policies and measures adopted under this Article, with the aim of improving comparability and transparency of reporting and facilitating the sharing of experiences and exchange of information among the Parties. The Meeting of the Parties shall, as soon as practicable, make recommendations on the definition of such performance indicators, taking into account relevant work being done by other bodies.

Article 3

1. [Each of] the Parties included in Annex I shall, individually or jointly, reduce [or limit] [its/their] [net] [aggregate] anthropogenic emissions of the greenhouse gases listed in Annex B, as a basket, from [1990 levels/the average annual level for the period 198[_] to 199[_]] by [5/15/20] per cent [by 2010/over the period 200[_] to 20[_]].

[2. The commitments under this Article for each Party included in Annex I are those inscribed in Attachment 1.[1]

3. The commitments under this Article for the following Parties shall be established using the process set out in Annex C and shall be inscribed in Attachment 1:

(a) Parties included in Annex I which were not Parties to the Convention by the date of adoption of this Protocol;

(b) Parties which have been included in Annex I subsequent to the adoption of this Protocol, in accordance with the provisions of Article 4.2(f) of the Convention; and

(c) Parties not included in Annex I which have made a notification under Article 4.2(g) of the Convention subsequent to the adoption of this Protocol.]

4. The Parties included in Annex I undergoing the process of transition to a market economy whose base year or period was established pursuant to decision 9/CP.2 of the Conference of the Parties to the Convention at its second session, in accordance with Article 4.6 of the Convention, shall use that base year or period for the implementation of their commitments under this Article. Any other Party included in Annex I undergoing the process of transition to a market economy may also notify the Meeting of the Parties that it intends to use a historical base year or period other than [1990/average annual emissions for the period 198[_] to 199[_]] for the implementation of its commitments under this Article. The Meeting of the Parties shall decide on the acceptance of such notification. [Where relevant, this chosen base year or period shall be inscribed in Attachment 1.]

5. Each Party included in Annex I shall, by 2005, have made demonstrable progress in achieving its commitments under this Article.

6. Each Party acting under Article 10 shall ensure that its [net] emissions of the greenhouse gases listed in Annex B, as a basket, do not exceed its commitments determined in accordance with the provisions of Article 10.

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[1] *These commitments shall be established using the process set out in Annex C together with the adoption of this Protocol.*

[7. For the first budget period, from 200[_] to 20[_], each Party included in Annex I shall be allocated a budget equal to [[5/15/20] per cent/the percentage inscribed for it in Attachment 1] of its [net] [average annual] carbon dioxide equivalent emissions of the greenhouse gases listed in Annex B [in 1990/ for the period 198[_] to 199[_]], or the base [year/period] determined in accordance with paragraph 4 above, multiplied by [_] (*number of years in this budget period*).]

[8. For the first budget period, each Party acting under Article 10 shall be allocated a budget equal to the percentage determined in accordance with Article 10 of its [net] [average annual] carbon dioxide equivalent emissions of the greenhouse gases listed in Annex B in the base [year/period] determined in accordance with Article 10, multiplied by [_] (*number of years in this budget period*).]

[9. Any emissions allowed or emission credits which a Party acquires from another Party in accordance with the provisions of Article 5 or Article 6 shall be added to the emission budget of that Party.]

[10. Any emissions allowed or emission credits which a Party transfers to another Party in accordance with the provisions of Article 5 or Article 6 shall be subtracted from the emission budget of that Party.]

[11. The procedures established in paragraphs 7 to 10 above shall be used to set the emission budget of each Party included in Annex I or acting under Article 10 for subsequent budget periods, unless otherwise decided by the Meeting of the Parties.]

[12. The Meeting of the Parties shall, by the first year of the first budget period, decide upon modalities for the accounting of emission budgets.]

[13. If a Party included in Annex I or acting under Article 10 reduces its emissions during a budget period by a greater percentage than that required by its commitment under this Article, this difference shall be credited to the emission budget of that Party for the subsequent budget period.]

[14. If a Party included in Annex I or acting under Article 10 exceeds its emission budget for a budget period, by up to and including [_] per cent, that Party shall not be considered as being in a state of non-compliance, if it subtracts the amount of excess emissions from its subsequent emission budget at a rate of [_:1].]

15. Based on the work of, *inter alia*, the Intergovernmental Panel on Climate Change and advice provided by the Subsidiary Body for Scientific and Technological Advice, the Meeting of the Parties shall regularly review and, as appropriate, amend the list of greenhouse gases in Annex B with a view to including other greenhouse gases and source and sink categories not controlled by the Montreal Protocol. Any amendment to the list of greenhouse gases in Annex B shall be in accordance with the provisions set forth in Article 19, and shall only apply to those commitments under this Article that are adopted after its entry into force.

16. Until such time as any greenhouse gases not controlled by the Montreal Protocol from any source and sink categories are covered by commitments under this Article, Parties included in Annex I or acting under Article 10 shall make every effort to control their anthropogenic emissions by sources and enhance their removals by sinks of such gases.

Article 4

1. Each Party included in Annex I or acting under Article 10 shall, by 200[_], establish a national system for the accurate estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol. Guidelines for such national systems shall be decided upon by the Meeting of the Parties at its first session.

2. Methodologies for estimating anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol shall be those accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties to the Convention at its third session. Based on the work of, *inter alia*, the Intergovernmental Panel on Climate Change and advice provided by the Subsidiary Body for Scientific and Technological Advice, the Meeting of the Parties shall periodically update such methodologies.

3. The global warming potentials used to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol listed in Annex B shall be those accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties to the Convention at its third session. Based on the work of, *inter alia*, the Intergovernmental Panel on Climate Change and advice provided by the Subsidiary Body for Scientific and Technological Advice, the Meeting of the Parties shall regularly review and, as appropriate, revise the global warming potential of each such greenhouse gas.

Article 5

1. Any Party included in Annex I or acting under Article 10 that is in compliance with its obligations under this Protocol may transfer to, or acquire from, any other Party included in Annex I or acting under Article 10, any of its emissions allowed for the purpose of meeting its commitments under Article 3.

2. Emissions trading, as defined in paragraph 1 above, shall be subject to the following criteria:

(a) Emission levels achieved before the start of any trading system established under this Protocol cannot be used as the basis for emissions trading;

(b) Emissions trading shall be supplemental to domestic policies and measures, which should provide the main means of meeting commitments under Article 3; and

(c) A Party participating in emissions trading may not transfer, in a given budget period, any of its emissions allowed if it has exceeded its emission budget for that period.

3. The Meeting of the Parties shall, at its first session or as soon as practicable thereafter, decide upon modalities, rules and guidelines for emissions trading, as defined in paragraph 1 above, including methodologies for verification and reporting.

4. Parties included in Annex I or acting under Article 10 may participate in emissions trading, as defined in paragraph 1 above, as soon as the Meeting of the Parties has agreed upon the modalities, rules and guidelines referred to in paragraph 3 above.

5. If a question of a Party's implementation of the requirements of this Article is identified in accordance with the provisions of Article 8, transfers and acquisitions of emissions allowed may continue to be made after the question has been identified, provided that any such emissions allowed may not be used by any Party to meet its obligations under Article 3 until any issue of compliance is resolved.

Article 6

1. For the purpose of meeting part of its commitments under Article 3, any Party included in Annex I or acting under Article 10 may receive from any other Party included in the same Annex or acting under that Article, in conformity with the rules of this Article and the regulations adopted for this purpose by the Meeting of the Parties, the carbon dioxide equivalent emission reductions resulting from concrete projects aimed at reducing anthropogenic emissions of greenhouse gases listed in Annex B in any sector of the economy.

2. Parties participating in joint implementation projects, in accordance with their contribution to a project, have the right to share among themselves the credits achieved by that project.

3. In order to generate credits, joint implementation projects shall satisfy the following conditions:

(a) Parties participating in joint implementation projects shall be in compliance with their obligations under this Protocol, and shall have a national mechanism for the accounting, certification and verification of their greenhouse gas emissions, in accordance with Article 4 of this Protocol and the methodologies adopted for this purpose by the Meeting of the Parties;

(b) Participation in joint implementation projects shall be voluntary, and shall require prior acceptance, approval or endorsement by the participating Parties;

(c) Joint implementation projects shall bring about real, measurable and long-term environmental benefits related to the mitigation of climate change, whilst avoiding adverse

environmental and social effects. Projects must provide a reduction in emissions that is additional to any that would otherwise occur;

(d) Joint implementation projects must be compatible with, and supportive of, national environment and development priorities and strategies, and must contribute to cost-effectiveness in achieving global benefits;

(e) Joint implementation projects can be undertaken by two or more Parties;

(f) Joint implementation projects shall be supplemental to domestic policies and measures, which should provide the main means of meeting commitments under Article 3;

(g) Joint implementation projects shall be assessed on a project basis. Credits shall be calculated and allocated on an annual basis. They shall be subject to stringent emission reduction verification and accountability methodologies. For each project, a baseline shall be established setting the net environmental benefits of greenhouse gas emission mitigation and reduction, as compared with a baseline without the project; and

(h) Parties shall report on joint implementation projects in their national communications using guidelines to be adopted by the Meeting of the Parties at its first session and reviewed periodically thereafter

4. A Party may authorize government agencies, private sector entities, non-governmental organizations or individuals to participate, under the responsibility of that Party, in actions leading to the generation, transfer or receipt of credits for joint implementation projects under this Article.

5. The Meeting of the Parties shall adopt at its first session, and periodically review thereafter:

(a) Criteria and guidelines for the attribution of emission credits to Parties in accordance with paragraphs 1 and 6 of this Article;

(b) Guidelines for reporting on joint implementation projects and for establishing national mechanisms for the accounting, certification and verification of greenhouse gas emissions;

(c) Methodologies for calculating project baselines and actual emissions in order to assess the incremental impact of the project;

(d) Methodologies for monitoring the reduction reported, and for the verification and auditing of credits; and

(e) A process for reviewing the total reduction achieved by reported joint implementation projects and the conformity of the joint implementation projects with this Article.

6. If a decision is taken by the Conference of the Parties to the Convention at the conclusion of the pilot phase of activities implemented jointly, in accordance with decision 5/CP.1 of the Conference of the Parties to the Convention at its first session, to allow joint implementation with Parties not included in Annex I, then Parties included in Annex I or acting under Article 10 may, jointly with Parties not included in Annex I, undertake concrete projects aimed at limiting or reducing anthropogenic emissions of greenhouse gases listed in Annex B in any sector of the economy, in conformity with the rules of this Article and the regulations adopted for this purpose by the Meeting of the Parties.

7. If a question of a Party's implementation of the requirements of this Article is identified in accordance with the provisions of Article 8, transfers and acquisitions of emission credits may continue to be made after the question has been identified, provided that any such credits may not be used by any Party to meet its obligations under Article 3 until any issue of compliance is resolved.

Article 7

1. Each Party included in Annex I or acting under Article 10 shall incorporate in its annual emissions inventory, submitted in accordance with the relevant decisions of the Conference of the Parties to the Convention, the following supplementary information:

[(a) From the first year of the first budget period established under Article 3, a calculation of its remaining emission budget for that period;]

[(b) A detailed quantification of any emissions allowed or emission credits acquired or transferred according to the provisions in Articles 5 and 6; and]

[(c) Where relevant, details of any emissions allowed carried over or subtracted from a previous emission budget pursuant to Article 3.13 or 3.14.]

2. Each Party included in Annex I or acting under Article 10 shall incorporate in its national communication, submitted under Article 10.2(a) and (b) and Article 12 of the Convention, the following supplementary information on the implementation of its commitments under this Protocol:

(a) A detailed description of the national system for the accurate estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol it has established pursuant to Article 4;

(b) An evaluation of trends revealed by the annual inventories submitted under paragraph 1 above over the reporting period, with a separate evaluation for the greenhouse gases listed in Annex B;

(c) A detailed description of the policies and measures it has adopted under Article 2, including information on the steps it has taken to promote co-operation with other Parties in the sharing of experiences and the exchange of information and its performance indicators;

(d) A specific estimate of the projected effects of the policies and measures it has adopted under Article 2 on anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, with a separate evaluation for the projected effects on the greenhouse gases listed in Annex B;

(e) Information on actions and projects undertaken pursuant to Article 5 and Article 6; and

(f) An assessment of the estimated impacts on other Parties, especially developing country Parties and in particular those listed in Article 4.8 of the Convention, of the policies and measures adopted and implemented under Article 2.

3. Each Party included in Annex I or acting under Article 10 shall submit the information required from it under this Article as part of the first national communication due under the Convention after this Protocol has entered into force for that Party. The frequency of subsequent communications under this Article shall be determined by the Meeting of the Parties.

4. The Meeting of the Parties shall adopt at its first session, and periodically review thereafter, guidelines for the submission of the information required under this Article, taking into account guidelines for the submission of national communications adopted by the Conference of the Parties to the Convention.

Article 8

1. The national communications submitted under Article 7 by each Party included in Annex I or acting under Article 10, including the annual emissions inventories submitted over the reporting period, shall be reviewed by expert review teams as part of the review of communications conducted in accordance with the relevant decisions of the Conference of the Parties to the Convention.

2. Expert review teams shall be co-ordinated by the secretariat and shall be composed of experts selected from those nominated by Parties and, as appropriate, by intergovernmental organizations.

3. The review process shall assess all aspects of a Party's implementation of this Protocol, including the likelihood that a Party will achieve its commitments under Article 3. The expert

review teams shall prepare a report to the Meeting of the Parties assessing the implementation of a Party's commitments and identifying any potential problems in the fulfilment of commitments. Such reports shall be circulated by the secretariat to all Parties. In addition, the secretariat shall identify for further consideration by the Meeting of the Parties any questions of implementation indicated by such reports.

4. The Meeting of the Parties shall adopt at its first session, and periodically review thereafter, guidelines for the review of implementation by expert review teams and the identification of questions of implementation by the secretariat, taking into account guidelines for the review of communications adopted by the Conference of the Parties to the Convention.

5. The Meeting of the Parties, with the assistance of the Subsidiary Body for Implementation, shall consider:

(a) The national communications submitted by Parties under Article 7 and the expert reviews thereof conducted under this Article; and

(b) Any questions of implementation identified by the secretariat under paragraph 3 above.

6. Pursuant to its consideration of the information referred to in paragraph 5(a) and (b) above, the Meeting of the Parties shall take decisions on any matter necessary for the implementation of this Protocol.

Article 9

1. The Meeting of the Parties shall, at its first session, consider and approve appropriate procedures and mechanisms to determine and address cases of non-compliance with the provisions of this Protocol.

Article 10

1. Any signatory or Party to this Protocol not included in Annex I may, at any time, notify the Depositary that it has opted to be bound by this Article. The Depositary shall inform the other signatories and Parties of any such notification.

2. Such notification, supported by an inventory of emissions of greenhouse gases not controlled by the Montreal Protocol, including for the historical base [year/period] chosen under subparagraph (a) below, and a projection of future emissions, shall include a formal declaration on the following points:

(a) Its chosen historical base [year/period] for the implementation of subparagraph (b) below; and

(b) The level of limitation or reduction of anthropogenic emissions of greenhouse gases listed in Annex B, as a basket, it is ready to undertake.

3. Where a notification has been made pursuant to paragraphs 1 and 2 above, the secretariat shall include it in the agenda for the following Meeting of the Parties which shall decide on the acceptance of such notification.

4. After its acceptance by the Meeting of the Parties, a notification by a signatory shall enter into force on the date of entry into force of this Protocol for that State, and a notification by a Party to this Protocol shall enter into force on the ninetieth day after the acceptance of such notification. The commitment under paragraph 2(b) above of Parties acting under this Article shall be inscribed in Attachment 1.

5. Parties acting under this Article shall be bound by the obligations of Parties included in Annex I with respect to the communication of information related to implementation under Article 10.2(a) and (b) and Article 12 of the Convention, and the relevant decisions of the Conference of the Parties to the Convention.

Article 11

1. The Meeting of the Parties shall periodically review the adequacy of the commitments of the Parties included in Annex I or acting under Article 10, in the light of the best available scientific information and assessment on climate change and its impacts, as well as relevant technical, social and economic information, with a view to achieving the objective of the Convention. Based on this review, the Meeting of the Parties shall take appropriate action, taking fully into account the different nature of the commitments of these Parties.

2. The first review shall take place at the [_] session of the Meeting of the Parties and in conjunction with pertinent reviews under the Convention. Further reviews shall take place at regular intervals thereafter, to be determined by the Meeting of the Parties.

Article 12

1. In order to advance the implementation of existing commitments in Article 4.1 of the Convention, in accordance with Article 4.3, 4.5 and 4.7 of the Convention and without introducing new commitments for Parties not included in Annex I, all Parties shall:

2. (a) Develop, at the national level, local emission factors, activity data and models which reflect the socio-economic conditions of each Party for the preparation and periodic updating of national inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, in order to improve the data included in their national communications;

(b) To the extent possible, move towards using methodologies fully compatible with those developed by the Intergovernmental Panel on Climate Change and approved by the Conference of the Parties to the Convention for the preparation of national inventories of greenhouse gases not controlled by the Montreal Protocol; and

(c) Co-operate in identifying and agreeing on specific means and approaches to foster bilateral, regional and global co-operation to facilitate the development of national inventories of emissions of greenhouse gases not controlled by the Montreal Protocol, local emission factors, activity data and models which reflect the socio-economic conditions of each Party.

3. (a) Formulate, implement, publish and regularly update national and, where appropriate, regional programmes containing measures to mitigate, and facilitate adequate adaptation to, climate change including, *inter alia*, removing obstacles to the limitation of anthropogenic emissions by sources and to the enhancement of removals by sinks, enhancing energy efficiency, emphasizing market-oriented pricing, encouraging appropriate reforms in the energy sector and regulatory regimes, increasing the use of renewable energy, making improvements in the transport and industrial sectors, promoting the development and sustainable management of greenhouse gas sinks and reservoirs, improving the integration of climate change considerations into agriculture, and generally taking actions to address climate change that, in the context of their national priorities, objectives and circumstances, are economically justified and can help address other environmental problems; and

(b) Co-operate bilaterally and multilaterally in identifying and agreeing on specific means and approaches to foster bilateral, regional and global co-operation to mitigate, and facilitate adequate adaptation to, climate change by formulating and implementing relevant programmes of measures referred to in subparagraph (a) above, giving special consideration to supporting measures which favour the economic development of developing country Parties and minimizing adverse effects on other Parties, especially developing country Parties and in particular those identified in Article 4.8 of the Convention.

4. (a) Promote effective modalities for the development, application and diffusion, including transfer, of environmentally sound technologies, know-how, practices and processes pertinent to the mitigation of, and adaptation to, climate change, in particular to developing countries, including the formulation of policies and programmes for the effective transfer of environmentally sound technologies that are publicly owned or in the public domain, and encourage the private sector through financial and fiscal incentives to promote and enhance access to, and transfer of, patent protected environmentally sound technologies, in particular to developing countries;

(b) Prepare and communicate national inventories of the need and market potential for environmentally sound technologies, know-how, practices and processes pertinent to the policies and programmes mentioned in paragraph 3(a) above, on the basis of national and regional programmes containing measures to mitigate, and facilitate adequate adaptation to, climate change; and

(c) Co-operate in identifying and agreeing on specific means and approaches to foster bilateral, regional and global co-operation to facilitate the development, application and diffusion, including transfer, of the environmentally sound technologies, know-how, practices and processes referred to in subparagraphs (a) and (b) above, in particular to developing countries.

5. Promote and co-operate in providing the necessary financial and technological resources for the sustainable management, conservation and enhancement, as appropriate, of sinks and reservoirs of all greenhouse gases not controlled by the Montreal Protocol, including biomass, forests and oceans as well as other terrestrial, coastal and marine ecosystems.

6. Co-operate, as appropriate to their national technical and financial capabilities, in preparing for adaptation to impacts of climate change through the assessment at the national and, where appropriate, regional level, of the environmental, economic and social impacts of climate change, including sea level rise, changes in storms or storm surges, and risk to coastal ecosystems, including fragile ecosystems, wetlands, coral reefs and atolls, as well as freshwater supplies, arid and semi-arid areas, drought and desertification, and for the protection and rehabilitation of terrestrial, coastal and marine ecosystems and areas affected by drought, desertification or floods.

7. (a) Take steps towards identifying and implementing procedures to ensure that climate change considerations are taken into account in relevant governmental decisions, including those of intergovernmental organizations and in particular multilateral development banks; and

(b) Co-operate in developing, and to the extent possible utilize, relevant indicators to assist in the assessment of the impacts of climate change and response measures on the economy, infrastructure, human settlements, social and cultural practices, public health and the quality of the environment with a view to minimizing any adverse effects, and include such assessments in national communications.

8. Co-operate in developing at the national and, where appropriate, regional level, systematic observation and data archives, scientific and technical research, and support for improving endogenous capacities and capabilities to participate in international and intergovernmental programmes, conferences, meetings and seminars related to the climate system, and the enhancement of access to, and exchange of, data and analyses thereof, obtained from areas beyond national jurisdiction, taking into account the particular concerns and needs of developing country Parties in implementing Article 5 of the Convention.

9. Promote and co-operate in providing the necessary financial and technological resources for the full, open and prompt exchange of relevant scientific, technological, technical, socio-economic and legal information related to the climate system and climate change, and to the economic and social consequences of various response strategies, including through the

establishment of relevant mechanisms for this purpose in the subsidiary bodies of the Convention.

10. In accordance with Article 6 of the Convention, develop and implement education and training programmes and strengthen national institutions, including through the exchange or secondment of personnel to train experts, and develop guidelines and relevant methodologies for this purpose.

11. Communicate to the Meeting of the Parties, through the secretariat, information related to the implementation of their commitments under this Protocol, in accordance with Article 7 and Article 10.2(a) and (b) and Article 12 of the Convention, taking fully into account the guidelines for communications adopted by the Conference of the Parties to the Convention and any subsequent guidelines that the Meeting of the Parties may adopt.

Article 13

1. The financial mechanism defined in Article 11 of the Convention, as well as the entity or entities entrusted with its operation, shall serve as the financial mechanism and entity or entities for the purposes of this Protocol.

2. Additional funding for the purposes of implementing Article 12 shall be provided to the financial mechanism by developed country Parties and other developed Parties included in Annex II to the Convention in a predictable and identifiable manner.

3. On matters related solely to activities under Article 12, the financial mechanism, as well as the entity or entities entrusted with its operation, shall function under the guidance of, and be accountable to, the Meeting of the Parties.

4. The developed country Parties and other developed Parties included in Annex II to the Convention may also provide, and developing country Parties avail themselves of, financial and technological resources for the implementation of Article 12 through bilateral, regional and other multilateral channels.

Article 14

Alternative A
(*Meeting of the Parties*)

1. A Meeting of the Parties is hereby established.

2. The Meeting of the Parties shall keep under regular review the implementation of this Protocol and shall make, within its mandate, the decisions necessary to promote its effective implementation. To this end, it shall:

(a) Exercise the functions assigned to it under this Protocol; and

(b) Exercise any other such functions as may be required for the implementation of this Protocol, including any functions that may be assigned to it by the Conference of the Parties to the Convention.

3. The Meeting of the Parties shall, at its first session:

(a) Adopt, by a two-thirds majority of the Parties present and voting at the meeting, rules of procedure for itself; and

(b) Adopt, by consensus, financial rules, in accordance with guidance received from the Conference of the Parties to the Convention [to ensure that any additional funds for the operation of this Protocol are provided by the Parties thereto.]

4. The Meeting of the Parties may establish such further subsidiary bodies as may be deemed necessary for the implementation of this Protocol.

5. Parties to the Convention that are not Parties to this Protocol may participate, without the right to vote, in the proceedings of any ordinary session of the Meeting of the Parties.

6. The secretariat shall convene the first session of the Meeting of the Parties in conjunction with the first session of the Conference of the Parties to the Convention that is scheduled after the date of the entry into force of this Protocol. Subsequent sessions of the Meeting of the Parties shall be held every year and in conjunction with sessions of the Conference of the Parties to the Convention, unless otherwise decided by the Meeting of the Parties.

7. Extraordinary sessions of the Meeting of the Parties shall be held at such times as may be deemed necessary by the Meeting of the Parties, or at the written request of any Party, provided that, within six months of such a request being communicated to the Parties by the secretariat, it is supported by at least one third of the Parties.

8. The United Nations, its specialized agencies and the International Atomic Energy Agency, as well as any State member thereof or observers thereto not Party to the Convention, may be represented at sessions of the Meeting of the Parties as observers. Any body or agency, whether national or international, governmental or non-governmental, which is qualified in matters covered by this Protocol and which has informed the secretariat of its wish to be represented at a session of the Meeting of the Parties as an observer, may be so admitted unless at least one third of the Parties present object. The admission and participation of observers shall be subject to the rules of procedure adopted by the Meeting of the Parties at its first session.

Alternative B

(Conference of the Parties acting as a body of this Protocol)

9. The Conference of the Parties to the Convention shall serve as the supreme body of this Protocol.

10. In accordance with Article 17.5 of the Convention, when the Conference of the Parties exercises its functions as the supreme body of this Protocol, decisions shall be taken only by those of its members that are, at the same time, Parties to this Protocol.

11. When the Conference of the Parties exercises its functions as the supreme body of this Protocol, any member of the Bureau of the Conference of the Parties representing a Party to the Convention but, at the same time, not a Party to this Protocol, shall be substituted by an additional member to be elected by and from the Parties to this Protocol.

12. The Conference of the Parties, acting as the supreme body of this Protocol, shall, at its first session after entry into force of this Protocol, decide upon modalities for the conduct of business on matters relating to this Protocol.

13. Without prejudice to paragraphs 9 to 12 above, the Parties to this Protocol may also meet at any such times as may be deemed necessary by the Parties to this Protocol.

Article 15

1. The secretariat established by Article 8 of the Convention shall serve as the secretariat to this Protocol.

2. Arrangements made for its functioning under Article 8.3 of the Convention shall apply *mutatis mutandis* to this Protocol. The secretariat shall also exercise the functions assigned to it under this Protocol.

[3. To the extent that these are distinct, the costs of secretariat services for this Protocol shall be met by the Parties thereto.]

Article 16

1. The Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation of the Convention shall serve as the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation of this Protocol.

2. When the subsidiary bodies exercise their functions with regard to matters concerning this Protocol, decisions shall be taken only by those of their members that are, at the same time, Parties to this Protocol.

3. When the subsidiary bodies exercise their functions with regard to matters concerning this Protocol, any member of the Bureau of the subsidiary bodies representing a Party to the Convention but, at the same time, not a Party to this Protocol, shall be substituted by an additional member to be elected by and from the Parties to this Protocol.

Article 17

1. The Meeting of the Parties shall, as soon as practicable, consider the application to this Protocol of the multilateral consultative process referred to in Article 13 of the Convention in the light of any relevant decisions that may be taken by the Conference of the Parties to the Convention.

Article 18

1. Any Party may propose amendments to this Protocol.

2. Amendments to this Protocol shall be adopted at an ordinary session of the Meeting of the Parties. The text of any proposed amendment to this Protocol shall be communicated to the Parties by the secretariat at least six months before the session at which it is proposed for adoption. The secretariat shall also communicate proposed amendments to the signatories to this Protocol, to the Parties and signatories to the Convention and, for information, to the Depositary.

3. The Parties shall make every effort to reach agreement on any proposed amendment to this Protocol by consensus. If all efforts at consensus have been exhausted, and no agreement reached, the amendment shall, as a last resort, be adopted by a three-fourths majority vote of the Parties present and voting at the meeting. The adopted amendment shall be communicated by the secretariat to the Depositary, who shall circulate it to all Parties for their acceptance.

4. Instruments of acceptance in respect of an amendment shall be deposited with the Depositary. An amendment adopted in accordance with paragraph 3 above shall enter into force for those Parties having accepted it on the ninetieth day after the date of receipt by the Depositary of an instrument of acceptance by at least three-fourths of the Parties.

5. The amendment shall enter into force for any other Party on the ninetieth day after the date on which that Party deposits with the Depositary its instrument of acceptance of the said amendment.

Article 19

1. Annexes to this Protocol shall form an integral part thereof and, unless otherwise expressly provided, a reference to this Protocol constitutes at the same time a reference to any annexes thereto. Such annexes shall be restricted to lists, forms and any other material of a descriptive nature that is of a scientific, technical, procedural or administrative character.

2. Any Party may make proposals for an annex to this Protocol and may propose amendments to annexes to this Protocol.

3. Annexes to this Protocol and amendments to annexes to this Protocol shall be adopted at an ordinary session of the Meeting of the Parties. The text of any proposed annex or amendment to an annex shall be communicated to the Parties by the secretariat at least three months before the session at which it is proposed for adoption. The secretariat shall also communicate the text of any proposed annex or amendment to an annex to the signatories to this Protocol, to the Parties and signatories to the Convention and, for information, to the Depositary.

4. The Parties shall make every effort to reach agreement on any proposed annex or amendment to an annex by consensus. If all efforts at consensus have been exhausted, and no agreement reached, the annex or amendment to an annex shall, as a last resort, be adopted by a three-fourths majority vote of the Parties present and voting at the meeting. The adopted annex or amendment to an annex shall be communicated by the secretariat to the Depositary, who shall circulate it to all Parties for their acceptance.

5. An annex that has been proposed and adopted or amended in accordance with paragraphs 2, 3 and 4 above shall enter into force for all Parties to this Protocol six months after the date of the communication by the Depositary to such Parties of the adoption or amendment of the annex, except for those Parties that have notified the Depositary, in writing, within that period of their non-acceptance of the annex or amendment to an annex. The annex or amendment to an annex shall enter into force for Parties which withdraw their notification of non-acceptance on the ninetieth day after the date on which withdrawal of such notification has been received by the Depositary.

6. If the adoption of an annex or an amendment to an annex involves an amendment to this Protocol, that annex or amendment to an annex shall not enter into force until such time as the amendment to this Protocol enters into force.

Article 20

1. In the event that a State mentioned in Article 3.3 becomes a Party to this Protocol, or that a notification from a Party not included in Annex I that it has opted to be bound by Article 10 is accepted by the Meeting of the Parties and has entered into force in accordance with the provisions of that Article, the Meeting of the Parties shall inscribe the commitments of such Parties in Attachment 1.

2. The Meeting of the Parties may adopt additional attachments to this Protocol, with the approval of all Parties concerned.

Article 21

1. Each Party shall have one vote, except as provided for in paragraph 2 below.

2. Regional economic integration organizations, in matters within their competence, shall exercise their right to vote with a number of votes equal to the number of their member States which are Parties to this Protocol. Such an organization shall not exercise its right to vote if any of its member States exercises its right, and vice versa.

Article 22

1. This Protocol shall be open for signature and subject to ratification, acceptance, approval or accession by States and regional economic integration organizations which are Parties to the Convention. It shall be open for signature at United Nations Headquarters in New York from 16 March 1998 to 15 March 1999, and shall be open for accession from the day after the date on which this Protocol is closed for signature.

2. Any regional economic integration organization which becomes a Party to this Protocol without any of its member States being a Party shall be bound by all the obligations under this Protocol.

3. In the case of such organizations, one or more of whose member States is a Party to this Protocol, the organization and its member States shall decide on their respective responsibilities for the fulfilment of their commitments under this Protocol. They shall notify the Depositary, who shall in turn inform the Parties, of the allocation of their respective responsibilities for the fulfilment of their commitments under this Protocol in each of their instruments of ratification, acceptance, approval or accession. In such cases, the organization shall be bound to fulfill those commitments it notifies that it will undertake and the member States shall each be bound to fulfill all other commitments. In the absence of such notification, the member States shall individually be responsible for the fulfilment of all their commitments under this Protocol. The organization shall inform the Depositary, who shall in turn inform the Parties, of any substantial modification to the allocation of respective responsibilities between the organization and its member States for the fulfilment of their commitments under this Protocol. The organization and its member States shall not be entitled to exercise rights under this Protocol concurrently.

4. The Meeting of the Parties shall review the notification of allocation of responsibilities between the organization and its member States and of any modification thereto. Pursuant to its review, the Meeting of the Parties may request further information or make appropriate recommendations to the organization and its member States.

Article 23

1. No reservations may be made to this Protocol.

Article 24

1. This Protocol shall enter into force on the ninetieth day after the date of deposit of the fiftieth instrument of ratification, acceptance, approval or accession, provided that the total carbon dioxide emissions for 1990 of the Parties which have deposited their instrument of ratification, acceptance, approval or accession, as indicated in their most recent national communication submitted under Article 12 of the Convention, by that time represent no less than three Gigatonnes of carbon.

2. For each State or regional economic integration organization that ratifies, accepts or approves this Protocol or accedes thereto after the date of entry into force of this Protocol, this Protocol shall enter into force on the ninetieth day following the date of deposit of its instrument of ratification, acceptance, approval or accession.

3. For the purposes of this Article, any instrument deposited by a regional economic integration organization shall not be counted as additional to those deposited by States members of this organization.

Article 25

1. At any time after three years from the date on which this Protocol has entered into force for a Party, that Party may withdraw from this Protocol by giving written notification to the Depositary.

2. Any such withdrawal shall take effect upon expiry of one year from the date of receipt by the Depositary of the notification of withdrawal, or on such later date as may be specified in the notification of withdrawal.

3. Any Party that withdraws from the Convention shall be considered as also having withdrawn from this Protocol.

Article 26

1. The original of this Protocol, of which the Arabic, Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations.

Annex A

1. Removal of obstacles to the limitation and reduction of emissions of greenhouse gases not controlled by the Montreal Protocol and to the enhancement of removals by sinks, particularly in the light of reviews of policies and practices conducted pursuant to Article 4.2(e)(ii) of the Convention.

2. Enhancement of energy efficiency in all sectors, including the energy production and transformation, industrial, transport, residential and commercial and agricultural sectors.

3. Progressive phasing out of market imperfections and fiscal incentives that run counter to the objective of the Convention, including, *inter alia*, subsidies on all fossil fuels.

4. Encouragement of appropriate reforms in the energy sector and regulatory regimes aimed at promoting policies and practices which limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol.

5. Promotion, development and increased use of renewable forms of energy.

6. Development of measures to limit the growth in emissions of greenhouse gases not controlled by the Montreal Protocol in the transport sector.

7. Limitation or reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels, *inter alia* through the International Civil Aviation Organization and the International Maritime Organization, respectively.

8. Protection and enhancement of sinks and reservoirs of greenhouse gases not controlled by the Montreal Protocol and promotion of sustainable forest management practices, afforestation and reforestation.

9. Integration of climate change considerations into agricultural practices and promotion of sustainable forms of agriculture.

10. Research on, and development of, innovative climate-friendly technologies, and the development, application and diffusion, including transfer of, such technologies, particularly to developing country Parties.

11. Limitation and reduction of emissions of hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

Annex B

Gas	Source and sink category
Carbon dioxide (CO_2)	Fuel combustion Industrial processes [Changes in forests and other woody biomass stocks]
Methane (CH_4)	[Fuel combustion] Fugitive fuel emissions Enteric fermentation Animal waste Waste
Nitrous oxide (N_2O)	[Fuel combustion] Industrial processes [Agricultural soils]
[Hydrofluorocarbons (HFCs)	[Industrial processes Other uses]
Perfluorocarbons (PFCs)	[Industrial processes Other uses]
Sulphur hexafluoride (SF_6)	[Industrial processes Other uses]]

Annex C

1. The emission commitments for each Party mentioned in Article 3.3 shall be established through a process based on the application of specific criteria including, as appropriate, the following:

(a) Carbon dioxide equivalent emissions per capita of the greenhouse gases listed in Annex B;

(b) Carbon dioxide equivalent emissions per unit of gross domestic product of the greenhouse gases listed in Annex B;

(c) Gross domestic product per capita;

(d) Gross domestic product per capita growth;

(e) Effective emissions in a given time period, defined as the increase in global mean surface temperature at the end of the period, as determined by an agreed climate change model, resulting from both the net anthropogenic emissions of an agreed set of greenhouse gases in each year of that time period and from the initial concentrations of those greenhouse gases at the beginning of the period;

(f) Projected population growth;

(g) Emission intensity of gross domestic product;

(h) Emission intensity of exports;

(i) Fossil fuel intensity of exports; and

(j) Share of renewable energy in energy supply.

Attachment 1

Name of Party	Emission commitment	Base [year/period] (*where relevant*)

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